

# **Texas Emission Reduction Plan (TERP) Drayage Truck Incentive Program (DTIP)**

**Grant Application Workshop**





# Workshop Agenda

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- Program Overview
- Application Forms
- Questions and Answers



# Purpose

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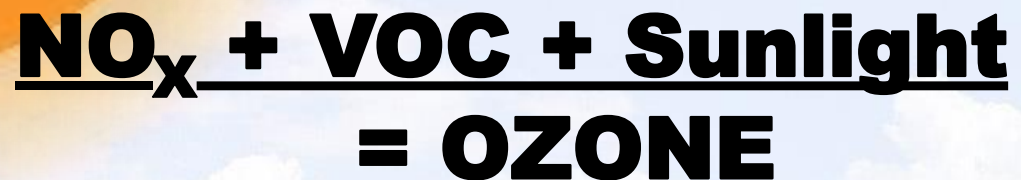
- To reduce emissions of nitrogen oxides (NO<sub>x</sub>) and other pollutants, including particulate matter (PM), at seaports and Class I rail yards in the nonattainment areas
- To provide financial incentives for the replacement of vehicles and equipment operating at seaports and Class I rail yards in areas of Texas designated as nonattainment under the federal Clean Air Act



# Why Reduce NO<sub>x</sub> Emissions?

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Ground level ozone is created by chemical reactions of NO<sub>x</sub> and volatile organic compounds (VOC) in the presence of sunlight.





# Funding

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Approximately \$4.7 million is available under this Request for Grant Applications.



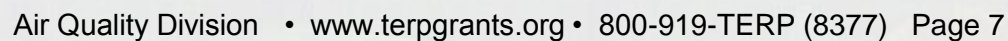


# Eligible Applicants

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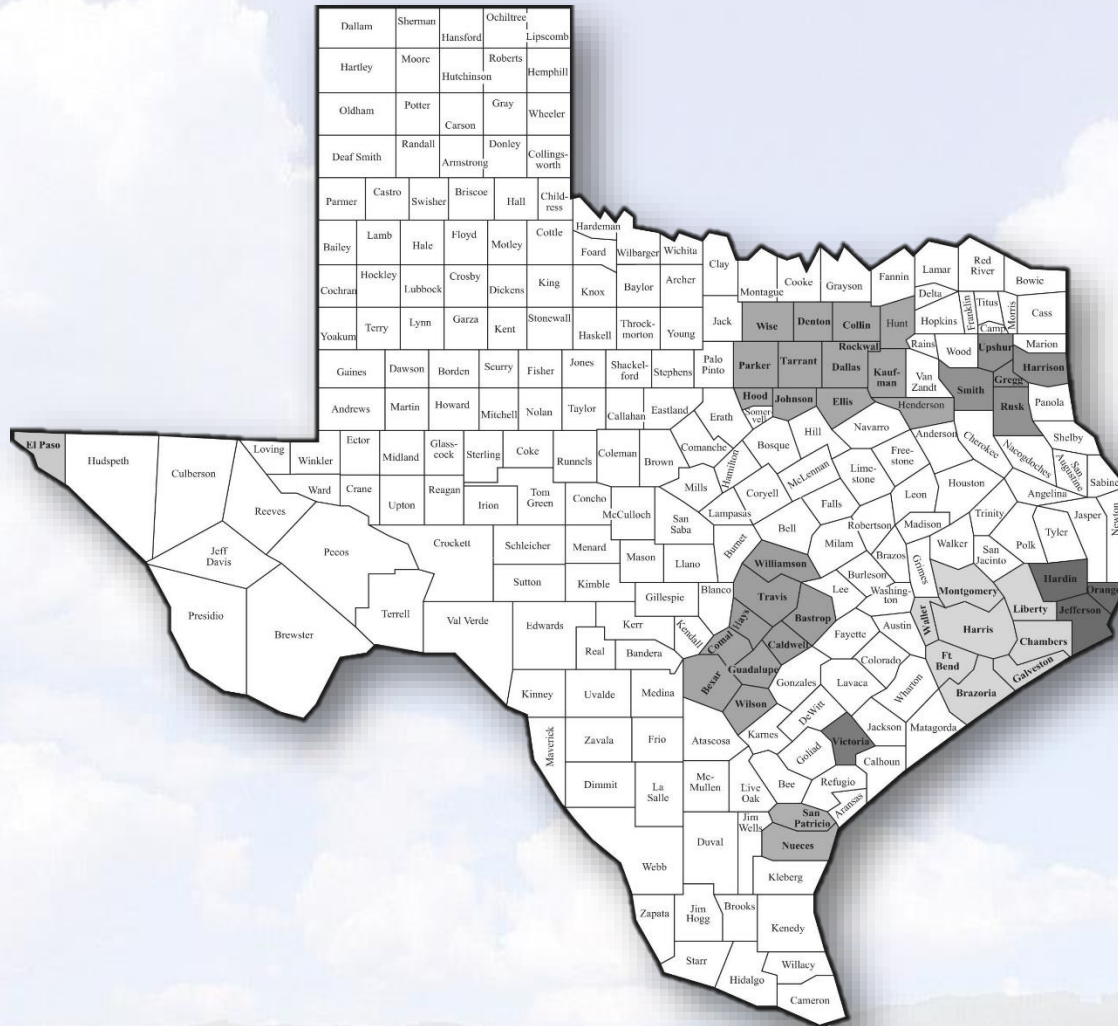
**Applicants must have, for the preceding two years:**

- owned or leased the vehicle or equipment; and
- operated the vehicle or equipment at one or more of the designated seaports or Class I rail yards for a minimum of 200 visits per year.
  - Only **one visit per day** may be counted toward the total number of visits per year.





# Eligible Areas of Operation







# Designated Seaport Terminals

## Port of Houston

- Barbours Cut
- Bayport
- Bulk Materials Handling Plant
- Houston Bulk Terminal
- Care Terminal
- Jacintoport Terminal
- Public Elevator No. 2
- Turning Basin Terminal
- Woodhouse Terminal

## Port of Galveston

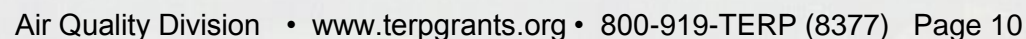
- East End Roll On-Roll Off
- West End Roll On-Roll Off
- Refrigerated Warehouse
- Export Grain Elevator
- Project and General Cargo
- Bulk Cargo Terminal

## Port of Freeport

(all terminal facilities)



- Participating facilities of the HSCSD
- Applicants may contact the TCEQ if uncertain whether a facility is part of the HSCSD





# Designated Class I Rail Yards

## Dallas-Fort Worth

- BNSF Alliance
- KCS Wylie
- UP Mesquite

## El Paso

- BNSF El Paso

## Houston-Galveston-Brazoria

- BNSF Houston Port Facility
- BNSF Houston (Pearland)
- KCS Rosenberg
- UP Barbours Cut
- UP Englewood
- UP Houston (Settegast)



# Eligible Drayage Trucks

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- Models of drayage trucks eligible for replacement under this program include:
  - a heavy-duty vehicle with a gross vehicle weight rating (GVWR) over 26,000 pounds; or
  - a yard truck or terminal tractor; or
  - other CHE.
- A drayage truck, including non-road yard trucks and other CHE, being replaced must have an engine of model year 2006 or earlier.
- A drayage truck must be in operating condition, and have a remaining useful life of five years.



# Eligible Purchases

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- Models of drayage trucks eligible for replacement under this program include:
  - a heavy-duty vehicle with a gross vehicle weight rating (GVWR) over 26,000 pounds; **or**
  - a yard truck or terminal tractor; **or**
  - other CHE.
- A drayage truck to be purchased must have an engine model year of 2010 or later.
- A diesel engine on a non-road yard truck or other CHE must be certified to meet the final Tier 4 or higher non-road engine emission standards for NO<sub>x</sub>.





# **Eligible Cargo Handling Equipment**

**Cargo handling equipment (CHE)** is defined as any heavy-duty non-road, self-propelled vehicle or equipment used at a seaport or rail yard to lift or move cargo, such as containerized, bulk, or break-bulk goods.

CHE includes, but is not limited to:

- rubber-tired gantry cranes;
- top handlers;
- side handlers;
- reach stackers;
- forklifts;
- loaders;
- aerial lifts; and
- container handling equipment.



# Container Handling Equipment

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- Eligible CHE used primarily for container handling will be classified as “**container handling equipment**” for purposes of determining maximum grant amounts.
- Some CHE, including rough terrain forklifts and some rubber tire loaders with certain affixtures, may be used specifically for ***container handling*** as opposed to other drayage activities.



# Eligible Projects

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## **Eligible projects include, but are not limited to:**

- a non-road yard truck replacing an on-road yard truck;
- a non-road yard truck replacing the same;
- an on-road yard truck replacing a non-road yard truck;
- an on-road yard truck replacing the same;
- an on-road yard truck replacing a Class 8b-combination truck;
- a non-road yard truck replacing a Class 8b-combination truck;
- a Class 8b-combination truck replacing the same;
- a Class 8a truck replacing the same;
- a Class 7 truck replacing the same;
- specific CHE (e.g. loader) replacing the same; or
- container handling equipment replacing similar equipment.



# Purchase Date

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Applicants **may not have completed the purchase** of the new drayage truck(s) or CHE prior to the opening of the grant application period.



# Eligible Grant Amounts

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- Eligible grant amounts are based on the age of the engine in the drayage truck or CHE being replaced and the total percentage of annual use in the eligible areas.
- Tables are provided for the calculation of maximum grant amounts.
- The grant amount may not exceed 80% of the incremental cost of the replacement.





# Grant Selection

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Properly completed applications for eligible projects will be processed for approval on a **first-come, first-served basis.**



# Usage Commitment

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- Grant recipients must agree to operate the grant-funded **on-road drayage truck** for 50%, 75%, or 100% of the annual and total usage in the nonattainment areas and affected counties.
- Grant recipients must agree to operate the grant-funded **non-road yard truck** or **other CHE** for 75% or 100% of the annual and total usage in the nonattainment areas and affected counties.



## **Usage Commitment (cont.)**

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All grant-funded equipment under this program must operate in one or more of the designated seaports or Class I rail yards for a minimum of **200 visits per year.**

- Only one visit per day may be used toward the total number of annual visits.
- Vehicles and equipment operating permanently at an eligible seaport and rail yard may consider each day of operation as one visit.



# Activity Life Commitment

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- The activity life is the period used to determine the emissions reduction.
- Grant recipients must commit to use the grant-funded vehicle or equipment in accordance with the terms of the grant contract for five years.
- All grant recipients must track and report on the use and location of all grant-funded equipment for the Activity Life.
- Reports will be due annually over the activity life.



# Global Positioning System

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## Global Positioning Systems (GPS) optional:

- The costs to purchase and install a GPS unit to track and log the location and use of the equipment may be included in the incremental cost calculation.
- The applicant will be responsible for ongoing operational and maintenance charges.
- If the applicant uses the TCEQ-authorized service provider, the TCEQ may allow the vendor to provide the required usage reports.





# Use of Consultants

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**Consultants may be available to assist with the application process.**

- The TCEQ has no business relationship with these consultants.
- It is the applicant's choice to work with a consultant.
- Consultant fees may not be paid for with grant funds, nor can the cost basis for determining the total costs include consultant fees, even if those fees are to be paid by the dealer.



# What happens next if my project is selected for award?

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- **Contracting**

- A contract will be sent to an applicant selected for award to sign and return.
- The TCEQ will provide a Notice to Proceed (NTP) to the grant recipient when/if funds are available to cover the grant. Most times, the NTP is included when the executed contract is returned to the grantee.

- **Reimbursement**

- Payments will be made on a reimbursement basis for eligible expenses incurred and paid by the grant recipient.
- A cost may not be considered incurred until the grant-funded goods and services have been received and accepted by the grant recipient.
- Grant recipients may assign the grant payment to a dealer or financing entity.



# **Disposition of Old Equipment**

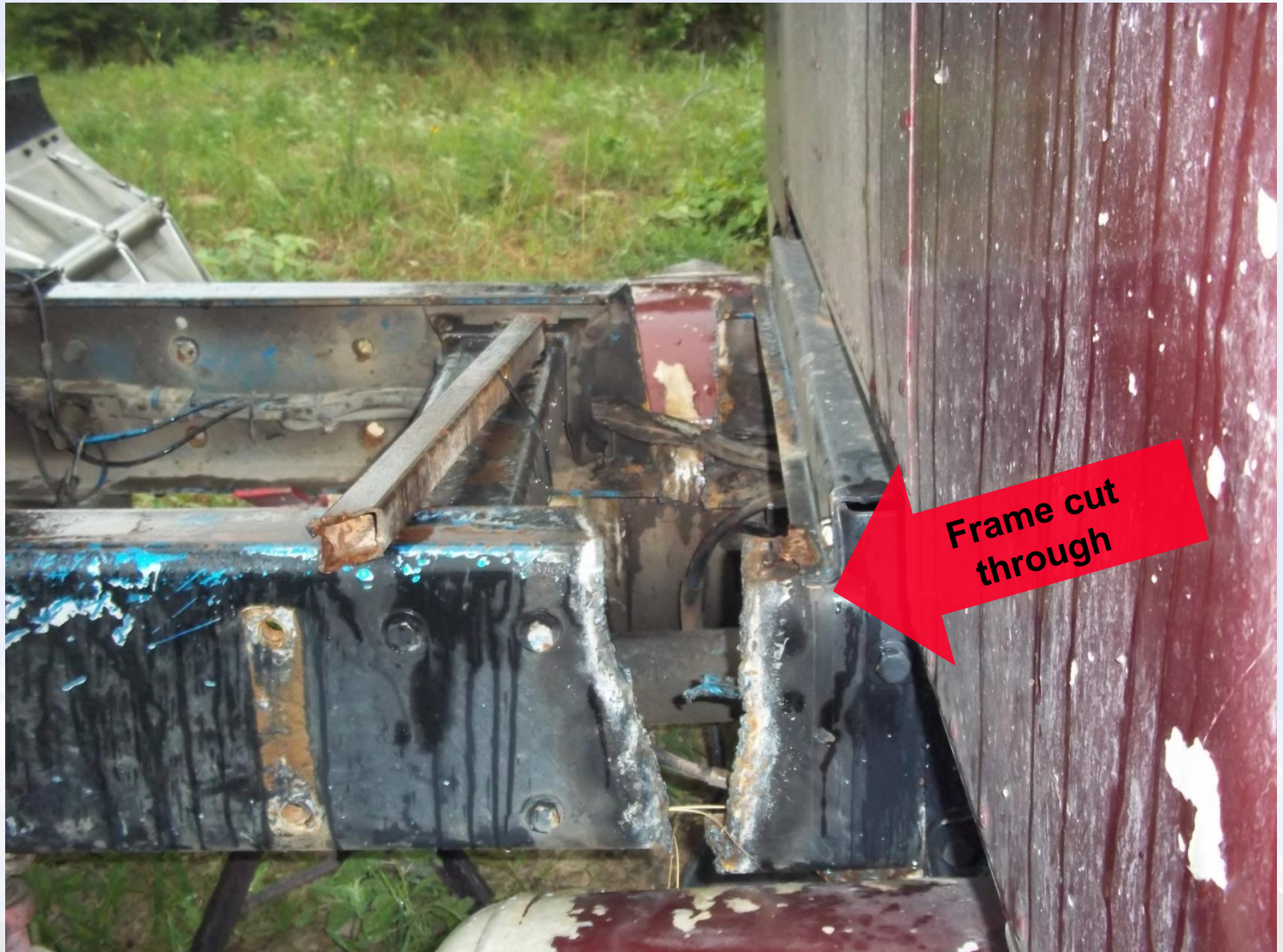
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- Salvage Only:
  - by crushing vehicle and engine; or
  - by putting a hole in the engine block on both sides and cutting both frame rails all the way through.
- You must submit a Non-Repairable Vehicle Title for each vehicle destroyed.
- Disposition must occur within 90 days of receiving your payment from TCEQ.
- Every destruction is verified by TERP staff through photos, documents, and site visits.



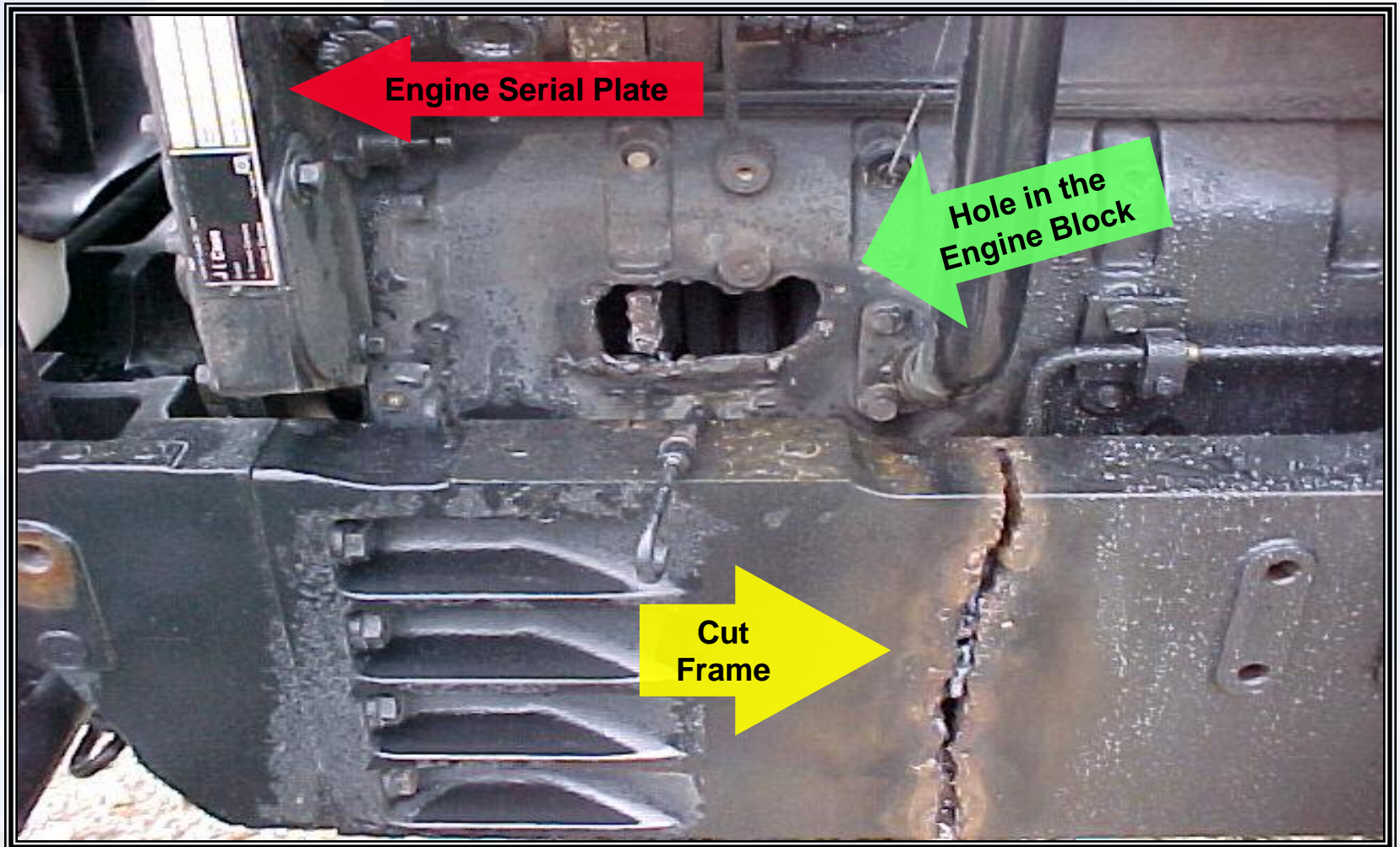


# Sample Disposition Photo





# Sample Disposition Photo (cont.)







# Reporting Requirements


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- The grant recipient must submit usage reports once per year for the duration of the activity life.
- TCEQ will conduct on-site visits to view the equipment and ensure usage records are being maintained.
- Failure to report or failure to meet the usage commitments may result in the recipient having to return a share or all of the grant funds.



# TERP E-mail Updates

[www.terpgrants.org](http://www.terpgrants.org)

**TEXAS COMMISSION  
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Org Chart | A to Z index |

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- Emergency Response
- Licensing
- Permits, Registration
- Preventing Pollution
- Recycling
- Reporting
- Rules

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- Maps
- Public Notices
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- Webcasts
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  - e-Pay, Permits
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[terp@tceq.texas.gov](mailto:terp@tceq.texas.gov)

## Texas Emissions Reduction Plan (TERP)

The TERP program provides financial incentives to eligible individuals, businesses, or local governments to reduce emissions from polluting vehicles and equipment.



**GET MONEY TO UPGRADE OR  
REPLACE YOUR TRUCK OR  
EQUIPMENT—AND CLEAR THE AIR!**

New and upgraded equipment pollutes less, improving the air quality in Texas. **Grant applications are accepted at different times throughout the year, depending on available funds.**

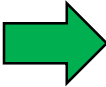
We believe these to be taxable grants. Please consult with your tax advisor.

**NEW ITEMS:**

**Proposed Revisions to TERP Rules and Guidelines**

**Proposed Rulemaking**

The TCEQ has proposed revisions to the rules for the TERP Drayage Truck Incentive Program under 30 Texas Administrative Code Chapter 114, Control of Air Pollution From Motor Vehicles, §114.680 and §114.682. Copies of the proposed revisions

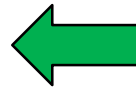


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Call (toll-free)  
**800-919-TERP (8377)**  
Or see [other contact info.](#)

**Upcoming TERP Meetings and Workshops**

- Information for potential applicants and interested parties: grant program workshops, application assistance sessions, and public meetings.

[www.terpgrants.org/implementation/air/terp/subscribe.html](http://www.terpgrants.org/implementation/air/terp/subscribe.html)



# Contacts

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